

MINUTES

Minutes approved by the Board
of Directors at its meeting held:

MAY 12, 2018

**California Housing Finance Agency (CalHEA)
Board of Directors Meeting & Workshop
April 12, 2018**

Meeting noticed on April 2, 2018

1. ROLL CALL

The California Housing Finance Agency Board meeting was called to order at 9:08 a.m. by Acting Chair Gunning. A quorum of members was present.

MEMBERS PRESENT: Schaefer (for Chiang), Onodera (for Cohen), Gallagher, Gunning, Hunter, Gunn (for Imbasciani), Johnson-Hall, Patterson, von Koch-Liebert (for Podesta), Prince, Russell,

MEMBERS ARRIVING

AFTER ROLL CALL: Avila Farias, Metcalf, Sotelo

MEMBERS ABSENT: Alex

STAFF PRESENT: Don Cavier, Tim Hsu, Michael Carroll, Debra Starbuck, Sabrina Saxton, Claire Tauriainen, Melissa Flores

GUEST SPEAKERS: Daryl Carter, Dan Dunmoyer, Deborah Ruane, Matt Grosz, Cecile Chailfour

2. APPROVAL OF MINUTES – March 15, 2018

Postponed this item until later in the meeting. The minutes were approved by unanimous consent of members present.

3. CHAIRMAN/EXECUTIVE DIRECTOR COMMENTS

Chairman Comments:

Welcomed attendees to today's informative session.

Executive Director comments:

Director explained that Board policy workshop have been held for the last couple of years in preparation for annual business planning and our mid-year reporting. Also as an opportunity for the board to be able to hear what's going on in the industry and national trends. She introduced today's guest speakers, who will be providing

background, trends and industry standards on Single Family/Homeownership and Multifamily/workforce housing.

Workshop Items (informational):

4. PRESENTATIONS AND DISCUSSIONS:

A. Housing Market Trends & Affordable Housing Production

(Presenters: Daryl Carter, *Avanath Capital Management* and Dan Dunmoyer, *California Building Industry Association*)

Both Mr. Carter and Mr. Dunmoyer, before beginning their presentations complimented the Executive Director for her work, her visibility in the industry, and for making a difference. Also, they acknowledged the work that the Acting Chair Mr. Gunning was doing.

Mr. Carter his company's background and purpose. He provided data and anecdotal information about the multifamily market's affordability crisis and impacts on the community, the changing demographics, and misconceptions of the tenants in these communities and the success of mixed-income communities. He offered suggestions and took questions from the Board.

Mr. Dunmoyer provided data and information about the current Single Family market trends, barriers to building and his suggestions for spurring more building that helps address the stock and affordability issues. He answered questions from the Board.

B. Multifamily Risk Mitigation Strategies (Presenters: Debbie Ruane, *San Diego Housing Commission*, Matt Grosz, *Red Stone Equity Partners*, and Cecile Chalifour, *Chase*)

Ms. Ruane, Mr. Grosz, and Ms. Chalifour each described their entities' lending and operational philosophies to share their perspectives on the high-level risk factors that they use in evaluating a multifamily project, provided examples of loan underwriting standards and considerations, how all entities on the panel and including CalHFA intersect to make a deal come together. The presenters answered questions from the Board.

(BREAK – 10 MINUTES)

LUNCH BREAK (1 hour recess) was modified by the Board in order to conduct a working business lunch.

The Board discussed the presentations and their thoughts about the impact to CalHFA.

Executive Director Patterson asked Debra Starbuck and Michael Carroll to address underwriting policies/guidelines, operating reserve requirements and transition reserves. Sabrina Saxton used a recent multifamily transaction example to assist

the Board in the discussion. Ms. Sotelo offered staff four factors to consider when underwriting reserves; 1) source, 2) term, 3) refi vs. new, 4) subordinate lender.

5. MID-YEAR BUSINESS PLAN AND BUDGET UPDATE FOR 2017/18.

Mr. Cavier invited questions on the mid-year 17-18 business plan and budget update from Board members. Several questions were asked and answered.

Agenda item no. 2 – APPROVAL OF MINUTES – March 15, 2018

This previously postponed item was presented at this time and the minutes were approved by unanimous consent of members present.

6. CalHFA POLICY /INITIATIVES

A. Single Family Lending (Tim Hsu)

Mr. Hsu provided quarterly results, demographics, updates on existing programs and prospects for new programs or modifications.

B. Multifamily Lending (Michael Carroll)

Mr. Carroll provided updated results, product initiatives or modifications.

(BREAK – 5 MINUTES)

Business Items:

7. CLOSED SESSION UNDER GOVERNMENT CODE SECTION 11126(A)(1) TO EVALUATE THE PERFORMANCE OF A PUBLIC EMPLOYEE.

8. REPORT FROM EXECUTIVE EVALUATION COMMITTEE.

9. DISCUSSION AND POSSIBLE ACTION TO ADJUST THE SALARY OF THE EXECUTIVE DIRECTOR

On motion by Mr. Schaefer, the Board approved a 3% merit based increase to the salary of the Executive Director for Resolution No. 18-14. The votes were as follows:

AYES: Avila Farias, Schaefer (for Chiang), Gallagher, Gunning, Johnson-Hall Metcalf, Prince, von Koch-Liebert (for Podesta), Russell, Sotelo

NOES: None.

ABSTAIN: None.

ABSENT: Gunn (for Imbasciani), Hunter,

10. REPORTS

Acting Chair Gunning asked Board members if they had any questions about the reports and there were none.

11. DISCUSSION OF OTHER BOARD MATTERS

None.

12. PUBLIC TESTIMONY: DISCUSSION ONLY OF OTHER MATTERS TO BE BROUGHT TO THE BOARD'S ATTENTION

None.

13. ADJOURNMENT

As there was no further business to be conducted, Acting Chair Gunning adjourned the meeting at 3:05 p.m.

14. HANDOUTS

Avanath +Lifestyle within Reach Presentation, CBIA "California's Housing Affordability Crisis", CalHFA Speakers Bios.
